

## 14/003 Findings of Non-Compliance with the Premium Rate Services (“PRS”) Licence Conditions

### Context and Background

1. In November 2013, ComReg initiated an investigation into the promotion and provision of the Rolymobi Mix Club (“Rolymobi”) Premium Rate Service (“PRS”) provided by the PRS provider Gracious Leader Company Ltd. (“Gracious Leader”), in accordance with Section 9 of the Communications Regulations (Premium Rate Services and Electronic Communications Infrastructure) Act, 2010 (“the Act of 2010”) and Sections 10(1)(d)(ii) and 12(1)(d) of the Communications Regulation Act, 2002, as amended (“the Act of 2002”).
2. ComReg engaged in correspondence with Gracious Leader detailing the alleged breaches of the Code of Practice<sup>1</sup> (“the Code”).
3. Rolymobi is a mobile content subscription PRS offered by Gracious Leader which is licensed by ComReg as a PRS provider. It is charged at €15 per week, and a €2.50 join up fee, through reverse-billed SMS. Subscribers to the PRS receive 9 downloadable credits plus 2 SMS alert messages each week. Users opt-in by texting a keyword to the short code.

### Finding of Non-Compliance

4. Following this investigation, ComReg found that the Rolymobi PRS was not compliant with certain requirements of the Code of Practice as detailed below.
5. Accordingly, on 22 September 2014, ComReg notified Gracious Leader of the findings<sup>2</sup> that it had not complied with the Code for PRS providers and, therefore, was in breach of conditions of its PRS licence<sup>3</sup>.

#### Section 3.2 and 5.20 of the Code of Practice

6. ComReg found that some subscribers to Gracious Leader’s Rolymobi PRS did not receive the regulatory update messages, which contained information on how to unsubscribe from the PRS, at the correct interval. Some end users received these regulatory reminder messages after they had incurred charges €20 as required under the provisions of Section 5.20 of the Code.

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<sup>1</sup> [http://www.comreg.ie/\\_fileupload/publications/ComReg1229.pdf](http://www.comreg.ie/_fileupload/publications/ComReg1229.pdf)

<sup>2</sup> In accordance with its powers at Section 9 of the Act of 2010

<sup>3</sup> Gracious Leader is a licensed PRS provider in Ireland, in accordance with Section 6(1) of the Act of 2010 and the Communications Regulation (Licensing of Premium Rate Services) Regulations 2012

### **Sections 3.12(b), 3.19, 3.22 and 4.1 of the Code of Practice**

7. ComReg found that some promotional material for the Rolymobi PRS was linked to “typosquatting” or “URL hijacking”.

“Typosquatting” is the practice of registering internet domain names which are mis-spellings of widely known and trusted internet brands – examples would be “Dacebook” instead of “Facebook”, “Twtter” instead of “Twitter” etc., with the intention of redirecting consumers who mistype or click on mistyped links appearing to be well-known sites into their internet browser, leading them to webpages which are designed in such a way as to be confusingly similar to the website for which the consumer was originally searching. In PRS terms, this is with a view to taking consumers to web pages which invite consumers to accept the purchase of a PRS in the belief that the PRS is associated with a trusted brand.

In the case of the Rolymobi PRS, ComReg found promotional material linked to the “typosquatting” or “URL hijacking” websites [www.youtebe.com](http://www.youtebe.com) (a misspelling of [www.youtube.com](http://www.youtube.com)) and [www.goggle.com](http://www.goggle.com) (a misspelling of [www.google.com](http://www.google.com)). It is ComReg’s belief that end users would not, or were unlikely to, have been aware that they would have to subsequently incur premium rate charges to download mobile content such as games, ringtones and videos having responded to an online survey.

ComReg also considers that PRS providers are responsible for the actions of their affiliate marketers.

### **Sections 3.12(b), 4.1 and 4.3 of the Code of Practice**

8. ComReg found that the testimonials and photographs of previous winners given on the Rolymobi website were false and misleading as the same ‘winners’ appeared on other websites but with different names. ComReg considers that the use of false customer testimonials and photographs is likely to impair an end user’s ability to make an informed transactional decision.

## **Conclusion**

9. Gracious Leader is required to remedy the findings of non-compliance in respect of the breaches of Sections 3.2, 3.12(b), 3.19, 3.22, 4.1, 4.3 and 5.20 of the Code of Practice by 22 October 2014, if it has not already done so.
10. Gracious Leader is required to make refunds to end users connected with the non-compliance by a date specified by ComReg.